

PROJECT TITLE : LEGISLATION
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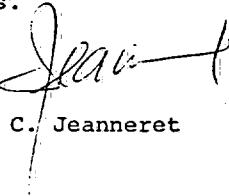
EEC

Concerning the harmonisation of excise tax on tobacco, member states are not of the same opinion as regards the Commission's proposal.

Italy, the country most opposed to the proposal, has asked to submit a new one which would eliminate any specific taxation.

The UK has not withdrawn its proposal to extend the tax to other EEC countries, but, since the Commission submitted its report on the effects of the additional tax, it has not repeated it either. This report states in particular that the tax has attained its objective as now only a few cigarettes with more than 20 mg condensate are being sold in the UK.

In addition, the Commission stresses that the tax is equivalent to a prohibition of sale which is not really the objective of a tax : a prohibition should be decided upon as such. Finally British industry has entered into an agreement with the British government to no longer sell any such cigarettes. For this reason the Commission felt that it was not necessary to maintain the derogation for the UK and to extend it to other countries.


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CLJ/jud 24 February 1981

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